

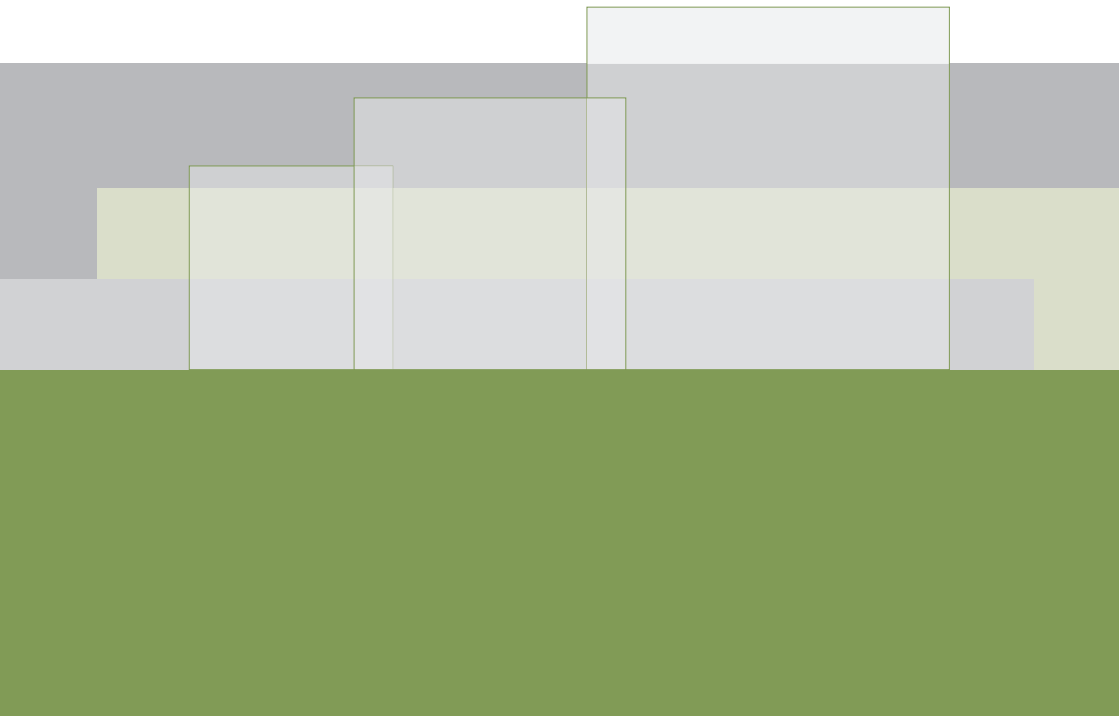
DIC ASSET

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# INVITATION TO THE ANNUAL GENERAL MEETING OF DIC ASSET AG

Tuesday, 5 July 2011, at 10:00 a.m. (CEST)  
Deutsche Nationalbibliothek, Frankfurt am Main

ISIN: DE 0005098404  
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This version of the Invitation and Agenda to the Annual Shareholders' Meeting of DIC Asset AG is a translation of the German original, prepared for the convenience of English-speaking readers. For the purposes of interpretation, the German text shall be authoritative and final. No warranty is made as to the accuracy of this translation and DIC Asset AG assumes no liability thereto.

# Convening of the Annual General Meeting

We invite our shareholders to the **Annual General Meeting on Tuesday 5 July 2011 at 10:00 a.m. (CEST)** in the auditorium of Deutsche Nationalbibliothek, Adickesallee 1, D-60322 Frankfurt am Main.

## Agenda

### 1. Submission of the approved financial statements of DIC Asset AG and the approved consolidated financial statements as at 31 December 2010, the combined management and group management report, the report of the Supervisory Board for the financial year 2010 and the management report of the Management Board to the disclosures in accordance with Sec. 289 (4) and (5) and Sec. 315 (4) HGB [“Handelsgesetzbuch”: German Commercial Code]

The documents presented under Item 1 of the Agenda can be viewed, beginning on the date of the convocation of the Annual General Meeting, on the Company’s website at <http://www.dic-asset.de/general-meeting/>. The same applies to the Management Board’s proposal for the appropriation of net profits. These documents will also be available at the Annual General Meeting on 5 July 2011 and will be presented orally. A resolution by the Annual General Meeting on Item 1 of the Agenda is not proposed. The Supervisory Board approved the Annual Financial Statements and the Consolidated Financial Statements prepared by the Management Board according to Sec. 171 and Sec. 172 AktG [“Aktiengesetz”: German Stock Corporation Act]. The Annual Financial Statements have thus been formally approved in accordance with Sec. 172 AktG. The conditions under which the Shareholders’ Meeting may resolve on the approval of the Annual Financial Statements and the approval of the Consolidated Financial Statements pursuant to Sec. 173 (1) AktG are not fulfilled. A resolution will be passed on the appropriation of net profits under Item 2 of the Agenda.

### 2. Resolution on the appropriation of net profits

The Management Board and the Supervisory Board propose to appropriate the net profits of DIC Asset AG reported as at 31 December 2010 in the amount of EUR 27,293,071.90 as follows:

Payment of a dividend of EUR 0.35 per share on the share capital entitled to a dividend of EUR 45,718,747.00, composed of 45,718,747 eligible shares	EUR 16,001,561.45
Carry-forward to new account	EUR 11,291,510.45
<b>Net profits</b>	<b>EUR 27,293,071.90</b>

### 3. Resolution to ratify the actions of the members of the Management Board for the financial year 2010

The Management Board and the Supervisory Board propose to ratify the actions of the Management Board for the financial year 2010.

### 4. Resolution to ratify the actions of the Supervisory Board for the financial year 2010

The Management Board and the Supervisory Board propose to ratify the actions of the Supervisory Board for the financial year 2010.

### 5. Election of the auditors for the financial year 2011 and of the auditors for the review of the semi-annual financial report

The Supervisory Board proposes to resolve upon recommendation of the audit committee:

- Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nürnberg, are elected as auditors and Group auditors for the financial year 2011.
- Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nürnberg, are elected as auditors for the review of the abridged financial statements and the interim management report of the semi-annual financial report as at 30 June 2011.

### 6. By-election to the Supervisory Board

Mr Hellmar Hedder has resigned his membership of the Supervisory Board effective with the close of the Annual General Meeting on 5 July 2011. A by-election for the Supervisory Board should thus be held. The election of a successor prior to the expiration of a departing member’s regular term in office is, in accordance with Sec. 8 (2) of the Articles of Association, for the remainder of the departed member’s regular term unless the Annual General Meeting determines a different time in office. Mr Hedder was elected member of the Supervisory Board by decision of the Annual General Meeting held on 14 May 2008 for a period in office ending with the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fiscal year 2012. The election of his successor shall be for a period in office ending with the Annual General Meeting that ratifies the actions of the Supervisory Board for the fiscal year 2015.

The Supervisory Board of the Company is composed of six members elected by the Annual General Meeting in accordance with Sec. 95 (1) Sentence 2, Sec. 96 (1) and Sec. 101 (1) AktG and Sec. 8 (1) of the Articles of Association.

The Annual General Meeting is not bound by nominations in the election of shareholder representatives.

The Supervisory Board proposes to elect the following individual as shareholder representative to the Supervisory Board for a term of office beginning with the close of the Annual General Meeting held on 5 July 2011 and ending at the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fiscal year 2015:

Dr Michael Peter Solf, Baierbrunn, Principal Head of Capital Investments at SV Sparkassen-Versicherung Holding AG, Stuttgart.

Dr Solf is not a member of any statutory supervisory board or comparable supervisory body of other German or foreign businesses.

**7. Resolution to cancel the existing authorisation to acquire treasury shares and to pass a new authorisation to acquire and use treasury shares and to exclude tender rights when acquiring and subscription rights when using treasury shares**

The Company requires a special authorisation from the Annual General Meeting for the acquisition of treasury shares if and to the extent that such acquisition is not expressly permitted by law. The authorisation to acquire treasury shares passed by the Annual General Meeting on 5 July 2010 under Item 7 of that day's Agenda expires on 4 January 2012. In order to have the possibility to repurchase treasury shares in the future as well it shall be proposed to the Annual General Meeting to cancel the existing authorisation to the extent that it has not been utilised and to grant the Company a new authorisation to acquire and use treasury shares, which shall be valid for five years.

The Management Board and the Supervisory Board propose to resolve as follows:

**a) Authorisation to acquire treasury shares**

The Management Board is authorised, with prior consent of the Supervisory Board, to acquire until 4 July 2016 treasury shares of up to 10% of the Company's share capital existing at the time of this resolution or, if less, at the time this authorisation is exercised. The authorisation to acquire treasury shares passed by the Company's Annual General Meeting on 5 July 2010 under Item 7 of that day's Agenda is cancelled to the extent that it has not been used with effect from the date on which the new authorisation takes effect. At no time may the acquired shares together with other treasury shares in the possession of the Company or attributed to it under Sec. 71a et seq. AktG represent more than 10% of the share capital. The authorisation may not be used for the purpose of trading in treasury shares.

The authorisation may be exercised in full or in part once or several times for one or more purposes, by the Company or by companies which are dependent on or majority-owned by the Company, or by third parties acting on their behalf or on behalf of the Company.

**b) Methods of acquisition**

At the discretion of the Management Board, with prior consent of the Supervisory Board, shares may be acquired (1) through the stock exchange or (2) through a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale.

- (1) If the shares are acquired on the stock exchange, the purchase price per share paid by the Company (excluding transaction costs) may not be more than 10% above or below the price determined on the trading day by the opening auction in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange.
- (2) If the shares are acquired through a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale:
  - in the case of a public purchase offer addressed to all shareholders, the proposed purchase price per share (excluding transaction costs), respectively
  - in the case of a public invitation to all shareholders to submit offers for sale, the limits of the purchase price range specified by the Company (excluding transaction costs)

may not be more than 10% above or below the average closing price of the Company's shares in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange over the last five trading days preceding the public announcement of the public purchase offer or the public invitation to submit offers for sale.

If substantial deviations of the relevant price occur after the publication of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale, the purchase offer or the invitation to submit offers for sale may be adjusted. In this case the basis for the adjustment will be the average closing price of the Company's shares in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange over the last five trading days before the public announcement of the adjustment.

The volume of the public purchase offer addressed to all shareholders or the public invitation to all shareholders to submit offers for sale may be limited. Should the volume of the shares tendered through a public purchase offer or a public invitation to submit offers for sale exceed the planned repurchase volume, the shares may be acquired in proportion to the shares subscribed or tendered; the shareholders' right to tender shares pro rata to their participation quota is excluded. Preferential acceptance of smaller allotments of up to 100 tendered shares per shareholder and rounding off to avoid fractional shares are admissible. Any further tender rights are excluded to this extent.

The public purchase offer addressed to all shareholders or the public invitation to all shareholders to submit offers for sale may stipulate further conditions.

**c) Use of treasury shares**

The Management Board is authorised, with prior consent of the Supervisory Board, to use treasury shares acquired on the basis of this authorisation for any lawful purposes, in particular the following:

- (1) The shares may be cancelled without a further resolution of the Annual General Meeting being required for the cancellation or its execution. They may also be cancelled by simplified procedure without capital reduction by adjusting the proportionate amount of the remaining shares in the Company's share capital. If they are cancelled by simplified procedure, the Management Board is authorised to amend the number of shares in the Articles of Association.
- (2) The shares may also be sold in a way other than through the stock exchange or by an offer addressed to all shareholders if the purchase price payable in cash is not significantly lower than the market price of essentially equivalent shares already quoted. The number of shares sold in this way together with the number of other shares that were sold or issued from authorised capital during the term of this authorisation with exclusion of subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG, and the number of shares that can be created through the exercise of option and/or conversion rights or the fulfilment of conversion obligations arising from warrant and/or convertible bonds issued during the term of this authorisation with exclusion of subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG, may not exceed 10% of the share capital, neither based on the share capital at the time at which this authorisation takes effect nor at the time at which it is exercised.
- (3) The shares may be sold for contributions in kind in particular in connection with the acquisition of companies, parts of companies, equity interests in companies or other assets in the context of such acquisition projects or in connection with mergers.
- (4) The shares can be used to fulfil subscription or conversion rights arising from the exercise of conversion and/or option rights or the satisfaction of conversion obligations that arise from or in connection with convertible bonds or warrant bonds, which have been issued by the Company or those of its subsidiaries that are 100% owned by DIC Asset AG.

The above authorisations may be exercised once or several times, in full or in part, separately or in combination. The authorisations granted under (2), (3) and (4) may also be exercised by companies which are dependent on or majority-owned by the Company or by third parties acting on their behalf or on behalf of the Company.

The subscription rights of shareholders to the treasury shares acquired on the basis of this authorisation is excluded, in so far as they are used in accordance with the above authorisations granted under (2), (3) and (4).

**Written report by the Management Board pursuant to Sec. 71 (1) No. 8 Sentence 5 AktG in conjunction with Sec. 186 (4) Sentence 2 AktG to Agenda Item 7 on the reasons for authorising the Management Board to exclude shareholders' tender rights when acquiring treasury shares and shareholders' subscription rights when using treasury shares**

The German Stock Corporation Act provides for the possibility in Sec. 71 (1) No. 8 AktG to acquire treasury shares of up to 10% of the share capital upon authorisation by the Annual General Meeting.

The Company's Shareholders' Meeting passed a resolution on 5 July 2010 authorising the acquisition of treasury shares until 4 January 2012. As the remaining authorisation expires before the next Annual General Meeting, the existing authorisation shall be cancelled to the extent that it has not been used and replaced by a new authorisation. The new authorisation to acquire treasury shares shall be valid for a period of five years.

The proposal for a resolution to Item 7 of the Agenda proposes to authorise the Management Board, with the prior consent of the Supervisory Board, to acquire treasury shares of up to 10% of the Company's share capital existing at the time of the resolution or, if less, at the time this authorisation is exercised. The shares may be acquired on the stock exchange, through a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale. The principle of equal treatment under stock Corporation law may be observed. In the case of a public invitation to all shareholders to submit offers for sale, the recipients of the invitation can decide how many shares they wish to offer to the Company and at what price (if a price range is specified).

If the shares are to be acquired through a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale, the volume of the offer or of the invitation to submit offers for sale may be limited. It can thus occur that the volume of shares tendered by shareholders exceeds the volume of shares the Company intends to buy back. In such an event, the purchase may be made on a pro rata basis. It shall be possible to purchase shares in proportion to the number of shares subscribed or ten-

dered instead of in proportion to the participation quota because the acquisition is easier to settle within an economically reasonable framework in this way. In addition, it shall be possible to provide for preferential acceptance of smaller allotments of up to 100 shares per shareholder. This option serves to avoid fractional amounts when determining the quota for repurchase and small residual quantities and, consequently, to simplify the settlement procedure of the buyback. This also avoids any factual disadvantages to small shareholders. Finally, it shall be possible to round off quantities according to established commercial principles to avoid fractions of shares. In this respect the acquisition quota and the number of shares to be purchased from individual tendering shareholders can be rounded off to the extent that this is necessary to purchase whole shares. The Management Board and the Supervisory Board consider it justified to exclude any further tender rights of shareholders in this context.

The offered purchase price or the limits of the purchase price range specified by the Company (excluding transaction costs) may not be more than 10% above or below the average closing price of the shares in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange over the last five trading days preceding the public announcement of the purchase offer or the public invitation to submit offers for sale. If there are substantial deviations of the relevant price after the publication of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale, the purchase offer or the invitation to submit offers for sale may be adjusted. In this case the basis for the adjustment will be the average price of the last five trading days before the public announcement of the adjustment. The public purchase offer addressed to all shareholders or the public invitation to all shareholders to submit offers for sale may stipulate further conditions.

The option to sell treasury shares serves as a simplified means to generate funds. Pursuant to Sec. 71 (1) No. 8 Sentence 5 AktG, the Annual General Meeting may authorise the Management Board to dispose of treasury shares in other ways than on the stock exchange or through an offer to all shareholders. Under the proposed resolution the Management Board also requires the prior consent of the Supervisory Board for the use of treasury shares.

The alternative option set out under Agenda Item 7 c) Point (2) is that the treasury shares are sold pursuant to Sec. 186 (3) Sentence 4 AktG at a price that is not significantly lower than the market price of essentially equivalent shares already quoted at the date of the sale. Use is made here of a simplified exclusion of subscription rights which is legally permissible and customary. The protection of shareholders against dilution effects is given adequate consideration, since the shares may only be sold for a price that does not substantially fall short of the stock market price. The final sales price for treasury shares is established shortly before the sale. The Management Board will – with the consent of the Supervisory Board – keep the discount to the stock market price as low as possible based on prevailing market conditions at the time of placement. The discount to the stock market price will not, in any event, exceed 5% of the stock market price. In light of the intense competition on equity markets, the possibility of selling treasury shares under exclusion of subscription rights and in other ways than on the stock exchange or through an offer to all shareholders is in the Company's interest. It gives the Company the opportunity to offer treasury shares to domestic and international investors quickly and flexibly, to expand the number of shareholders and stabilise the value of the shares. The sale at a price not significantly below the stock market price, and the restriction of the volume of treasury shares eligible for sale under exclusion of subscription rights to a maximum of 10% of the share capital (both at the time when the authorisation takes effect and when it is exercised) adequately safeguard the financial interests of the shareholders. The 10% threshold includes other shares that were sold or issued under exclusion of subscription rights in direct or analogous application of Sec. 186 (3) Sentence 4 AktG (e.g. from Authorised Capital) or created through the exercise of option and/or conversion rights or of conversion obligations arising from bonds issued during the term of this authorisation under exclusion of shareholders' subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG. Since the treasury shares are placed close to the stock market price, every shareholder can principally make on-market purchases on approximately the same conditions in order to maintain his participation quota.

In addition, the proposed resolution in Agenda Item 7 c) Point (3), enables the Company to have treasury shares available to offer as non-cash consideration in conjunction with acquisitions of non-cash benefits, in particular of companies or parts of companies, equity investments in companies or other assets in conjunction with an acquisition project or in the framework of mergers if such consideration is requested. The proposed authorisation is intended to give the Company the flexibility which is necessary to quickly and flexibly exploit opportunities that arise in conjunction with acquisition projects and mergers. The proposed exclusion of subscription rights takes this into account. When determining the valuation ratio, the Management Board and the Supervisory Board will ensure that the interests of the shareholders are appropriately considered. In particular, when measuring the value of the treasury shares offered as consideration, they will take as a basis the stock market price of the shares of the Company. To prevent fluctuations in the stock market price from jeopardising negotiation outcomes once they have been reached a systematic coupling of the valuation to a stock market price is not envisaged.

Furthermore the authorisation in Agenda Item 7 c) Point (4) provides that treasury shares acquired on the basis of the proposed authorisation can be used with exclusion of the shareholders' subscription right to fulfil conversion and/or option rights or conversion obligations of convertible or warrant bonds issued by the Company or its group affiliates with a 100% participation of the DIC Asset AG. The proposed resolution does not create a new authorisation for the creation of further conversion and option rights. It simply serves the purpose to allow the administration to use, instead of Conditional Capital, in whole or in part treasury shares, in order to fulfil conversion and/or option rights or conversion obligations, which have already been established based on other authorisations. There is no strain on shareholders beyond the dilution effects that may possibly be linked to an exclusion of subscription rights for issues of convertible and/or warrant bonds. Rather, this increases the Management Board's flexibility, as it is not compelled to fulfil warrant bonds and/or convertible bonds from Conditional Capital, but may also use treasury shares if this is deemed more appropriate under the given circumstances in the interests of the Company and its shareholders. Conversion and/or option rights and conversion obligations, which might be satisfied through treasury shares, can be created based on the authorisation given under Agenda Item 9 of the Annual General Meeting on 5 July 2010 regarding the issuance of convertible and/or warrant bonds.

Finally, the treasury shares acquired under this authorisation according to the resolution proposed under Agenda Item 7 c) Point (1) may be cancelled without a further resolution of the Annual General Meeting being required. According to Sec. 237 (3) No. 3 AktG, the Annual General Meeting of a Company may resolve to cancel its fully paid-up no-par value shares without the need to reduce the share capital in the Company. The authorisation proposed here expressly provides for this alternative besides the cancellation of shares with reduction of the share capital. If treasury shares are cancelled without reducing the share capital, the proportion of the share capital represented by each of the other no-par value shares automatically increases. The Management Board shall therefore also be authorised to make the necessary amendment to the Articles of Association regarding the modified number of shares as a result of the cancellation.

In taking its decisions on the use of treasury shares, the Management Board will be guided exclusively by the interests of shareholders and of the Company.

The Management Board will report to the next Shareholders' Meeting on the exercise of the above authorisations.

#### **8. Resolution to cancel the existing Authorised Capital and to create a new Authorised Capital with the possibility to exclude subscription rights and corresponding amendments to the Articles of Association**

The Annual General Meeting of 5 July 2010 has authorised the Management Board, with prior consent of the Supervisory Board, to increase the Company's share capital until 4 July 2015 by up to EUR 19,590,000.00 through one or several issues of new bearer shares against cash or contribution in kind under Item 8 of that day's agenda (Authorised Capital). The Management Board has already partially made use of this authorisation in the amount of EUR 6,531,249.00 through the subscription rights capital increase in March 2011. The remaining Authorised Capital thus amounts to EUR 13,058,751.00. As far as it has not yet been utilized it should be cancelled and replaced by a new Authorised Capital.

The Management Board and the Supervisory Board propose to resolve as follows:

##### **a) Cancellation of the existing Authorised Capital**

The authorisation of the Management Board resolved by the Annual General Meeting of 5 July 2010 under Item 8 of that day's Agenda to increase the share capital of the Company with consent of the Supervisory Board until 4 July 2015 by up to a total of EUR 19,590,000.00, of which EUR 13,058,751.00 remains authorized, through one or several issues of new no-par value bearer shares against contributions in cash and/or in kind is cancelled with effect from the time when the new Authorised Capital to be resolved upon becomes effective to the extent that it has not been utilized.

##### **b) Creation of a new Authorised Capital**

The Management Board shall be authorised, with consent of the Supervisory Board, to increase the share capital until 4 July 2016 by up to a total of EUR 22,859,000.00 once or several times by issuing new no-par value bearer shares against contributions in cash and/or in kind (Authorised Capital). The number of shares may be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. The shares may be subscribed by one or more credit institutions or entities within the scope of Sec. 186 (5) Sentence 1 AktG appointed by the Management Board with the obligation to offer them to the shareholders (indirect subscription right).

The Management Board, however, shall be authorised, with consent of the Supervisory Board, to exclude subscription rights

- to except fractional amounts from shareholders' subscription rights;
- if the new shares are to be issued against contribution in cash and the issue price per share does not significantly fall short of the stock market price of the quoted shares endowed with essentially the same rights. The number of shares issued in this way together with the number of other shares that were sold or issued during the term of this authorisation with exclusion of subscription rights in direct or indirect application of Sec. 186 (3) Sentence 4 AktG and the number of shares that can

be created through the exercise of option and/or conversion rights or the fulfilment of conversion obligations arising from warrant and/or convertible bonds issued during the term of this authorisation with exclusion of subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG, may not exceed 10% of the share capital, neither based on the share capital at the time when this authorisation takes effect, nor at the time when it is exercised;

- if the capital increase is performed against contributions in kind, in particular for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in connection with such acquisition projects or in the context of mergers. The amount of shares issued in this way may not exceed 20% of the share capital, neither based on the share capital at the time when this authorisation takes effect nor at the time when it is exercised;
- insofar as this is necessary to grant subscription rights for new shares to holders or creditors of warrant bonds and/or convertible bonds with option rights or conversion rights or obligations issued or to be issued by the Company or companies in which it directly or indirectly holds a 100% participation, to the extent to which they would be entitled as shareholders upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations.

The Management Board shall be authorised, with consent of the Supervisory Board, to stipulate the details of the capital increase as well as the terms of the issuance of shares, particularly the issue price.

The Supervisory Board shall be authorised to adapt the wording of the Articles of Association upon utilisation of the Authorised Capital or upon expiry of the authorisation period for the utilisation of the Authorised Capital.

#### c) **Amendment of the Articles of Association**

Sec. 5 of the Articles of Association shall be cancelled and newly worded as follows:

##### **"Sec. 5 Authorised Capital**

The Management Board is authorised, with consent of the Supervisory Board, to increase the share capital until 4 July 2016 by up to a total of EUR 22,859,000.00 once or several times by issuing new no-par value bearer shares against contributions in cash and/or in kind (Authorised Capital). The number of shares must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. The new shares may be subscribed by one or more credit institutions or entities within the scope of Sec. 186 (5) Sentence 1 AktG appointed by the Management Board with the obligation to offer them to the shareholders (indirect subscription right).

The Management Board, however, shall be authorised, with consent of the Supervisory Board, to exclude subscription rights

- to except fractional amounts from shareholders' subscription rights;
- if the new shares are to be issued against contribution in cash and the issue price per share does not significantly fall short of the stock market price of the quoted shares endowed with essentially the same rights. The number of shares issued in this way together with the number of other shares that were sold or issued during the term of this authorisation with exclusion of subscription rights in direct or indirect application of Sec. 186 (3) Sentence 4 AktG and the number of shares that can be created through the exercise of option and/or conversion rights or the fulfilment of conversion obligations arising from warrant and/or convertible bonds issued during the term of this authorisation with exclusion of subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG, may not exceed 10% of the share capital, neither based on the share capital at the time when this authorisation takes effect, nor at the time when it is exercised;
- if the capital increase is performed against contributions in kind, in particular for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in connection with such acquisition projects or in the context of mergers. The amount of shares issued in this way may not exceed 20% of the share capital, neither based on the share capital at the time when this authorisation takes effect nor at the time when it is exercised;
- insofar as this is necessary to grant subscription rights for new shares to holders or creditors of warrant bonds and/or convertible bonds with option rights or conversion rights or obligations issued or to be issued by the Company or companies in which it directly or indirectly holds a 100% participation, to the extent to which they would be entitled as shareholders upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations.

The Management Board is authorised, with consent of the Supervisory Board, to stipulate the details of the capital increase as well as the terms of the issuance of shares, particularly the issue price.

The Supervisory Board is authorised to adapt the wording of the Articles of Association upon utilisation of the Authorised Capital or upon expiry of the authorisation period for the utilisation of the Authorised Capital."

#### d) Instructions

The Management Board is instructed to apply for entry of the cancellation of the existing Authorised Capital into the commercial register under (a), only together with the creation of new Authorised capital under (b) as well as the corresponding amendment of the Articles of Association under (c). The application shall be made with the provision that the entry of the cancellation of the existing Authorised Capital under (a) only occurs, if it has been assured that simultaneously with or immediately upon the entry of this cancellation of the existing Authorised Capital, the creation of new Authorised Capital under (b) and the amendment of the Articles of Association under (c) are also entered into the commercial register.

#### **Written Report of the Management Board pursuant to Sec. 203 (2) Sentence 2 and Sec. 186 (4) Sentence 2 AktG on Agenda Item 8 on the reasons for authorising the Management Board to exclude shareholders' subscription rights when using the Authorised Capital**

Under Item 8 of the Agenda the Management Board and the Supervisory propose to the Annual General Meeting to create an Authorised Capital of up to EUR 22,859,000.00. The new Authorised Capital is to replace the previous Authorised Capital in Sec. 5 of the Articles of Association. For reasons of flexibility, the Authorised Capital can be used for capital increases against contributions in cash and in kind. In the event of capital increases from Authorised Capital, shareholders shall principally have subscription rights. The shares may also be underwritten by one or more credit institutions or companies within the scope of Sec. 186 (5) Sentence 1 AktG appointed by the Management Board with the obligation to offer them to shareholders (so-called indirect subscription right).

The Management Board, however, shall be authorised, with consent of the Supervisory Board, to exclude shareholders' subscription rights

- to except fractional amounts from shareholders' subscription rights;
- if the new shares are to be issued against contribution in cash and the issue price per share does not significantly fall short of the stock market price of the quoted shares endowed with essentially the same rights. The number of shares issued in this way together with the number of other shares that were sold or issued during the term of this authorisation with exclusion of subscription rights in direct or indirect application of Sec. 186 (3) Sentence 4 AktG and the number of shares that can be created through the exercise of option and/or conversion rights or the fulfilment of conversion obligations arising from warrant and/or convertible bonds issued during the term of this authorisation with exclusion of subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG, may not exceed 10% of the share capital, neither at the time when this authorisation takes effect, nor when it is exercised;
- if the capital increase is performed against contributions in kind, in particular for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in connection with such acquisition projects or in the context of mergers. The amount of shares issued in this way may not exceed 20% of the share capital, neither based on the share capital at the time when this authorisation takes effect nor at the time when it is exercised;
- insofar as this is necessary to fulfil subscription rights for new shares of holders or creditors of warrant bonds and/or convertible bonds with option rights or conversion rights or obligations issued or to be issued by the Company or companies in which it directly or indirectly holds a 100% participation, to the extent to which they would be entitled as shareholders upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations.

The Management Board submits the following report in accordance with Sec. 203 (2) Sentence 2 and Sec. 186 (4) Sentence 2 AktG on this authorisation of excluding shareholders' subscription rights with the consent of the Supervisory Board:

#### **(1) Exclusion of shareholders' subscription rights for fractional amounts**

Shareholders' subscription rights can at first be excluded for fractional amounts. This authorisation serves to create a practicable subscription ratio with regard to the amount of the respective capital increase. Without the suspension of subscription rights for fractional amounts, the settlement process of the capital increase would be considerably more difficult, particularly for capital increases involving round sums. The new shares created from

unassigned fractions will be disposed of by the Company by sale on the stock exchange or in other best possible ways. For these reasons, the Management Board and the Supervisory Board consider the exclusion of subscription rights appropriate.

**(2) Exclusion of shareholders' subscription rights if the issue price of the new shares does not significantly fall short of the stock market price and the shares issued in this way under exclusion of subscription rights do not exceed 10% of the share capital**

Shareholders' subscription rights can also be excluded if the new shares are issued against cash contributions in accordance with Sec. 203 (1) and Sec. 186 (3) Sentence 4 AktG for a price not significantly lower than the stock market price and if the total proportionate share in the share capital attributable to the issued shares does not exceed 10% of the share capital. The authorisation enables the Company to cover any capital requirement at very short notice and to quickly and flexibly take advantage of market opportunities. The exclusion of subscription rights makes it possible to respond quickly to opportunities that arise without the costly and time-consuming formal procedures involved in a capital increase with subscription rights and to place the new shares at prices close to stock market rates, meaning without the usual discount for subscription right issues. In addition, such capital increases are suitable to attract new investors nationally and internationally. When exercising the authorisation, the Management Board, with the consent of the Supervisory Board, will keep the discount to the stock market price as low as the prevailing market conditions at the time of placement permit. The discount to the stock market price will not, in any event, exceed 5% of the stock market price.

Moreover, the extent of the cash capital increase under suspension of subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG is limited to 10% of the share capital at the time when the authorisation takes effect or, if lower, when the authorisation to exclude shareholders' subscription rights is exercised. In determining the maximum limit of 10%, those shares are included that were issued or disposed under suspension of subscription rights in direct or indirect application of Sec. 186 (3) Sentence 4 AktG during the term of this authorisation, e.g. treasury shares. Shares that are issued to fulfil option and/or conversion rights or conversion obligations arising from warrant bonds and/or convertible bonds are also included, insofar as these bonds were issued during the term of this authorisation under exclusion of shareholders' subscription rights in analogous application Sec. 186 (3) Sentence 4 AktG. This limitation adequately safeguards shareholders against a dilution of their stock. Since the new shares are placed close to the stock market price, every shareholder can acquire shares in the market to maintain their amount of holding in the Company on approximately equal terms.

**(3) Exclusion of shareholders' subscription rights for capital increases against contributions in kind, provided that the shares issued under such exclusion of subscription rights do not exceed in total 20% of the share capital**

In addition, it shall be possible to exclude shareholders' subscription rights if the capital increase is performed against contributions in kind, in particular for the purpose of the acquisition of companies, parts of companies, equity interests in companies or other assets in connection with such acquisition projects or in the context of mergers. In the interest of the shareholders, this subscription rights exclusion is also limited by value in that it may not exceed 20% of the share capital at the time this authorisation becomes effective as well as – provided this amount is lower – at the time this authorisation is exercised. This authorisation regarding the exclusion of subscription rights in the case of capital increases against contributions in kind gives the Company the required leeway to quickly, flexibly and liquidity-saving take advantage of opportunities that arise to acquire companies, participatory interests in companies or parts of companies or to transact mergers as well as to acquire other major tangible assets or assets in conjunction with acquisition projects to improve its competitive position and augment its profitability. Transactions frequently call for very high contributions, and often it is not possible or desirable to pay these in cash. In many cases, the vendors of attractive companies or other attractive assets prefer receiving the buyer's voting shares as consideration. To purchase such enterprises or other assets, the Company should be in a position to offer its shares as non-cash contributions. Since such acquisition opportunities frequently arise at short notice, it will generally be too late to put the issue up to shareholders' vote at a General Meeting, which principally convenes only once a year. It is therefore essential to create an Authorised Capital which the Management Board – with the consent of the Supervisory Board – can quickly access. In such events, the Management Board will ensure that shareholders' interests are adequately considered when determining the pricing ratios, and it will also take the stock market price of the Company's shares into account. The Management Board will only make use of this authorisation if the exclusion of subscription rights on a case-by-case basis is in the Company's best interest. There are currently no concrete acquisition projects for which the proposed authorisation for capital increases against non-cash contributions with shareholders' subscription rights excluded are to be exercised.

**(4) Exclusion of shareholders' subscription rights insofar as this is necessary to grant subscription rights for new shares to holders or creditors of warrant bonds and/or convertible bonds to the extent to which they would be entitled upon exercising their option and/or conversion rights or upon the fulfilment of conversion obligations**

Moreover, it should be possible, if necessary, to exclude shareholders' subscription rights in order to grant subscription rights for new shares to holders or creditors of warrant bonds and/or convertible bonds issued by the Company or its group affiliates with a direct or indirect 100% participation of the Company utilising the Authorised Capital to the extent to which they would be entitled upon exercising their option and/or conversion rights or upon the fulfilment of conversion obligations arising from these bonds. To facilitate the placement of bonds in the capital market, the warrant or bond terms and conditions generally contain anti-dilution provisions. One way of providing anti-dilution protection is to grant holders and creditors of bonds subscription rights to new shares for subsequent capital increases the way shareholders are entitled to. They would thus be treated as if they already were shareholders. To attach such an anti-dilution provision to bonds, shareholders' subscription rights to new shares must be excluded. This serves to facilitate the placement of bonds and, consequently, serves shareholders' interest in achieving an optimal financing structure for the Company.

Alternatively, another option to hedge against dilution would be to reduce the warrant or conversion price, insofar as this is admissible under the warrant or bond terms and conditions. This, however, would be more complicated and more cost-intensive for the Company when transacting the issuance. In addition, it would reduce the inflow of capital arising from the exercise of option and conversion rights or conversion obligations. It would also be conceivable to issue bonds not hedged against dilution. However, this would be much less attractive for the market.

**Requirements for the participation in the Annual General Meeting and exercise of voting rights**

Shareholders who have registered for the Annual General Meeting and have presented proof of share ownership to the Company are entitled to participate in the Annual General Meeting and exercise their voting rights pursuant to Sec.12 of the Articles of Association. Proof of share ownership must be certified by the depository bank in text form in either English or German and must relate to the beginning of the twenty-first day prior to the Annual General Meeting, which is

**Tuesday, 14 June 2011, 0:00 a.m.**  
("record date").

Registration and proof of shareholdings must reach the Company no later than six days prior to the Annual General Meeting, (whereby the day of the Annual General Meeting and the day of receipt of the documents are not counted), which is

**Tuesday, 28 June 2011, Midnight (receipt),**

at the following address:

DIC Asset AG  
c/o dwpbank für DZ Bank AG  
Wildunger Str. 14  
D-60487 Frankfurt am Main  
Fax: + 49 (0) 69 50 99 11 10  
E-mail: hv-eintrittskarten@dwpbank.de

To register, shareholders can complete the forms for ordering entry tickets sent to them by their depository bank and return them to their depository bank. The depository bank will then carry out the registration and, at the same time, send proof of ownership of shares to the address quoted above.

**Significance of the record date**

Only those shareholders who have presented proof of their shareholdings are eligible to participate in the Annual General Meeting and to exercise the voting right as shareholder. The eligibility to participate and the extent of voting rights are exclusively measured by a sharehold-

er's holdings in the Company at the record date. The record date is not associated with a lock-up period prohibiting the sale of shares. Even if shareholdings are sold in whole or in part after the record date, the shares held by the shareholder on the record date are decisive for a shareholder's participation and exercise of voting rights, in other words, sales or other transfers of shares subsequent to the record date have no effect on a shareholder's eligibility to participate in the Annual General Meeting or the extent of his or her voting rights. The same applies respectively to the purchase or additional purchases of shares after the record date. Individuals who do not hold shares at the record date or become shareholders thereafter are not eligible to participate or vote, unless they have themselves appointed as proxy holders or authorised to exercise such rights. The record date has no significance for an entitlement to dividends.

### Voting by proxy

Shareholders not attending the Annual General Meeting in person may appoint a third party, such as a bank or shareholders' association or another person of their choice, to exercise their voting rights. This also requires registration and proof of share ownership in time and as specified above.

The appointment of a proxy holder other than a bank, a shareholders' association or one of the other persons defined in Sec. 135 AktG, the revocation thereof, and the notification of the appointment to the Company must be made in text form, which is the form legally stipulated for listed companies. Proxy authorisations can either be declared to the proxy holder or to the Company. If the authorisation is declared to the proxy holder, proof of the proxy holder's authorisation can be presented to the Company on the day of the Annual General Meeting at the registration desk. Proof of the authorisation given to a proxy holder may also be forwarded by post, fax or electronic means (e-mail) to the following address:

DIC Asset AG · Investor Relations  
Eschersheimer Landstraße 223  
D-60320 Frankfurt am Main  
Fax: +49 (0) 69 9 45 48 58-99  
E-mail: [ir@dic-asset.de](mailto:ir@dic-asset.de)

Shareholders may also use the communication channels stated above if the authorisation of a proxy holder is declared to the Company; separate proof of authorisation is not required in this case. The same communication channels may also be used to notify the Company when shareholders wish to revoke the appointment of a proxy holder. We kindly request our shareholders to return proxy holder's authorisation, proof of the authorisation and revocation of authorisations to the Company, if sent by post or fax, by no later than

**Monday, 4 July 2011, Midnight (receipt).**

A form that can be used for the appointment of a proxy can be found on the back of the admission ticket which shareholders receive after registering for the Meeting or which may be downloaded at <http://www.dic-asset.de/general-meeting/>. If a shareholder appoints more than one proxy, the Company is entitled to reject one or more of them.

For the proxy authorisation of banks, shareholders' associations or another equivalent person or organisation as defined in Sec. 135 (8) and (10) AktG in conjunction with Sec. 125 (5) AktG, as well as for the withdrawal of and the proof required for such a proxy authorisation, special requirements might apply; shareholders are therefore requested to enquire in a timely fashion about the form of authorisation that the person or organisation they wish to appoint might require and the procedure for the proxy authorisation.

The Company offers shareholders the service of appointing a proxy designated by the Company already prior to the Annual General Meeting. Shareholders wishing to appoint the proxy designated by the Company must register for the Meeting in time and submit proof of their shareholdings in conformity with the procedures stated above. The proxies designated by the Company are bound by shareholders' instructions in exercising their voting rights. Without shareholders' instructions, the proxies designated by the Company are not authorised to exercise voting rights. A form sheet for the appointment of and instructions to the proxy designated by the Company is attached to each admission ticket. Such form may also be downloaded at <http://www.dic-asset.de/general-meeting/>. Appointments of and instructions to the proxy designated by the Company must also be communicated to the Company in text form.

For organisational purposes, we kindly request that shareholders wishing to appoint a proxy designated by the Company already prior to the Annual General Meeting return the completed appointment and instruction forms by no later than

**Monday, 4 July 2011, Midnight (receipt),**

by post, fax or e-mail to the following address:

DIC Asset AG · Investor Relations  
Eschersheimer Landstraße 223  
D-60320 Frankfurt am Main  
Fax: +49 (0) 69 9 45 48 58-99  
E-mail: [ir@dic-asset.de](mailto:ir@dic-asset.de)

Additionally, we offer to our shareholders who have registered for the Annual General Meeting in time, submitted proof of the shareholdings in accordance with the requirements stated above and attend the Annual General Meeting to appoint a proxy designated by the Company also during the Annual General Meeting to exercise their voting rights.

#### **Shareholders' rights**

##### **Motions to add items to the Agenda pursuant to Sec. 122 (2) AktG**

Shareholders holding, individually or collectively, a minimum of one-twentieth of the share capital or the proportionate amount of EUR 500,000.00 can submit a motion to add items to the Agenda and have them published. Each new item must be substantiated and have a draft resolution attached. The motion must be forwarded in writing to the Management Board (DIC Asset AG, Management Board, Eschersheimer Landstraße 223, D-60320 Frankfurt am Main) and must be received by the Company at least 30 days prior to the Annual General Meeting (whereby the day of the Annual General Meeting and the day of receipt of the documents are not counted), which is no later than

**Saturday, 4 June 2011, Midnight (receipt).**

Those shareholders submitting a motion must present proof that they have held the shares for at least three months. There are different points of view as to whether the holding period of three months refers to the period prior to the receipt of the motion by the Company, or to the period prior to the day on which the Annual General Meeting is held. If the former is the case,

the shareholders submitting the motion would have to submit proof that they have held the shares for at least three months prior to the day the Company receives the motion. If the latter is the case, the shareholders submitting the motion would have to submit proof that they have held the shares since at least 5 April 2011, 0:00 a.m. If this question should be relevant, we recommend that the respective shareholders examine the requirements and possibly seek legal advice. According Sec. 70 AktG there are options for the imputation of shares that we want to indicate.

##### **Counter motions and nominations pursuant to Sec. 126 (1) and Sec. 127 AktG**

During the Annual General Meeting, shareholders may submit counter motions to draft resolutions proposed by the Management Board and the Supervisory Board regarding specific items of the Agenda as well as make nominations for elections to the Supervisory Board or for the appointment of auditors. Prior to the Annual General Meeting, counter motions and nominations in accordance with Sec. 126 (1) and Sec. 127 AktG must be forwarded to the following address only:

DIC Asset AG · Investor Relations  
Eschersheimer Landstraße 223  
D-60320 Frankfurt am Main  
Fax: +49 (0) 69 9 45 48 58-99  
E-mail: [ir@dic-asset.de](mailto:ir@dic-asset.de)

Pursuant to Sec. 126 (1) AktG, the Company will publish counter motions, including the name of the shareholder, the substantiation as well as any comment by management on the Company's website at <http://www.dic-asset.de/general-meeting/>, provided that counter motions with a substantiation attached are received at least 14 days prior to the day of the Annual General Meeting (whereby the day of the Annual General Meeting and the day of receipt of the documents are not counted), which is no later than

**Monday, 20 June 2011, Midnight (receipt)**

at the aforementioned address. Counter motions addressed otherwise will not be considered. The Company may refrain from publishing a counter motion under the conditions stated in Sec. 126 (2) AktG, if, for example, the counter motion would lead to a resolution of the Annual General Meeting that is illegal or contrary to the Articles of Association. The substantiation of the counter motion need not be published if it is longer than 5,000 characters. The above sentences apply correspondingly to nominations for elections to the Supervisory Board and for

the appointment of auditors pursuant to Sec. 127 AktG. Nominations by shareholders do not need to be substantiated and they do not need to be published as well, except in the instances stated in Sec. 126 (2) AktG, if the name, profession and residence of the nominee are not stated. Nominations for elections to the Supervisory Board are not required to be published as well if the nomination does not contain information concerning his/her offices on statutory supervisory boards.

Please note that countermotions and election nominations, even if these were previously submitted to the Company in a timely fashion, will only be considered at the Annual General Meeting upon oral presentation.

#### **Right to information pursuant to Sec. 131 (1) AktG**

Pursuant to Sec. 131 (1) AktG, the Management Board must inform every shareholder, upon his request, during the Annual General Meeting on issues relating to the Company, insofar as the information is necessary for the proper assessment of an item of the Agenda. The obligation to provide information also extends to the Company's legal and business relations to associated companies and to the state of the group and the consolidated companies.

The Management Board may refrain from answering certain questions for reasons stated in Sec. 131 (3) AktG, e.g. if the information, based on reasonable commercial judgement, might be detrimental to the Company or one of its associated companies. According to Sec. 13 (3) of the Articles of Association, the chairman of the Annual General Meeting is entitled to impose appropriate time limits for shareholders to take the floor for their questions and statements.

#### **Further details and information at the Company's Website**

Shareholders can access information pursuant to Sec. 124a AktG at the Company's website at <http://www.dic-asset.de/general-meeting/>. Further details on shareholders' rights according to Sec. 122 (2), Sec. 126 (1), Sec. 127 and Sec. 131 (1) AktG can also be found at <http://www.dic-asset.de/general-meeting/>.

#### **Total number of shares and voting rights at the convening of the Annual General Meeting**

The share capital of the Company at the date of the convening of the Annual General Meeting amounts to EUR 45,718,747.00 and is denominated into 45,718,747 no-par value shares, which entitle to one vote each. The total number of shares and voting rights at the date of the convening of the Annual General Meeting therefore amounts to 45,718,747.

#### **Frankfurt am Main, May 2011**

##### **DIC Asset AG**

– The Management Board –

### Driving directions to the Deutsche Nationalbibliothek, Adickesallee 1, Frankfurt am Main

By public transport:

From the main railway station („Hauptbahnhof“) with underground line **U5** in the direction of Preungesheim to the station **Deutsche Nationalbibliothek**.

By car:\*

From the north or the south (A5) or the west (A66): At the Nordwestkreuz (north-west intersection), follow the direction towards Miquelallee until the end of the motorway; **on the Alleenring**, follow the signs for Fulda/Hanau. At the **3rd intersection**, turn right into Eckenheimer Landstraße towards the city centre, and after about 20 metres enter the underground garage of the Deutsche Nationalbibliothek (a car parking charge is payable; this will be covered by DIC Asset AG).

From the east (A3): At the Offenbacher Kreuz (Offenbach intersection), take the **A661** in the direction of Bad Homburg. Junction Frankfurt-Eckenheim, exit for Berkersheim in the direction of the city centre, go straight on for about 4 km. Cross the large **intersection at Alleenring**, and after about 20 metres enter the underground garage of the Deutsche Nationalbibliothek (a car parking charge is payable; this will be covered by DIC Asset AG).

**\*Please notice:** Currently, there are road works in close proximity of the event location (Nibelungenallee, Miquelallee). Therefore, significant delays on the way to the Annual General Meeting can occur.



